

ID: CCA_2009052715074137

Number: **200928934**

Office:

Release Date: 7/10/2009

UILC: 6231.03-00

From:

Sent: Wednesday, May 27, 2009 3:07:42 PM

To:

Cc:

Subject: RE: PAL

Under Estate of Quick v. Commissioner, the classification and grouping of the passive activity engaged in by the partnership is a partnership item determined at the partnership level and reported on the partnership return. The Schedule K-1 is part of the partnership return, so that it can be reported there. The Forms k-1 issued to the partners should reflect each partners share of the income/loss from each separate grouped activity, e.g., rental activity, other trade or business or portfolio activity.